



Norwood-Bridgewater Housing Rehabilitation Program

General Information Guidelines

INTRODUCTION

The Norwood-Bridgewater Housing Rehabilitation Program is administered by the Norwood Planning & Economic Development Office (Town Planner's Office) with the assistance of NeighborWorks of Southeastern Mass who functions as the Housing Rehabilitation Manager. The Housing Rehabilitation Program (HRP) is designed to improve housing conditions of low and moderate income resident households by eliminating code violations.

CODE RELATED REPAIRS

Eligible repair activities will include, but not be limited to, electrical, heating and plumbing work: structural repairs; roof and siding repairs; insulation and window replacement; lead paint and asbestos removal; and handicap accessibility improvements.

ELIGIBILITY

Preliminary eligibility is defined as an applicant meeting the initial eligibility requirements in order to qualify to begin the housing rehabilitation process. Final eligibility is determined after the total bid package is received and reviewed by the Housing Rehabilitation Manager.

NORWOOD APPLICANTS: This program is targeted to owner-occupied single-family/multi-family and investor owned units in the Downtown Norwood and South Norwood Target Area. (See attached Target Area Map) At least 51% of the units in the structure must be occupied by low and moderate income households, which is defined as households who meet the following income levels.

| Size of Household | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7 Person | 8 Person |
|-------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Income less than | \$47,450 | \$54,200 | \$61,000 | \$67,750 | \$73,200 | \$78,600 | \$84,050 | \$89,450 |

BRIDGEWATER APPLICANTS: This program is targeted to owner-occupied single-family/multi-family and investor owned units in Bridgewater Target Area. (See Target Area Map) At least 51% of the units in the structure must be occupied by low and moderate income households, which is defined as households who meet the following income levels.

| Size of Household | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7 Person | 8 Person |
|-------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Income less than | \$44,750 | \$51,150 | \$57,550 | \$63,900 | \$69,050 | \$74,150 | \$79,250 | \$84,350 |

If the structure is a single family owner occupied unit, the owner must meet these income guidelines. If the structure contains rental units, at least 51% of all the households including rental units/renters must meet these income limits.

Income: Upon receiving an application and supportive documentation, income will be verified by employer verification form and/or copies of the most recent consecutive 8 weeks (minimum) pay stubs. Self-employed applicant will submit their most recent IRS-Certified tax form. All other sources of income will be verified by the Housing Rehabilitation Manager according to HUD approved income verification documentation. In the case of non-owner occupied units, a tenant questionnaire will be distributed to participating households and income verified as stated above.

Ownership: Verify property ownership by copy of the deed and local property tax bill. The applicants must be the property owner of record for the proposed residential structure.

Structures: The primary purpose of the deferred payment loan program is to bring deteriorated residential units into compliance with all applicable Federal, State and local codes. To be eligible, a structure or portion thereof, must be residential and contain one or more code violations. Note: All code violation must be corrected as a condition of participating in the Norwood-Bridgewater Regional Housing Rehabilitation Program.

Conflict of Interest: Federal regulations prohibit municipal employees and local officials from receiving housing rehabilitation assistance. The Town Planner's Office will review applicant information to ensure the state Conflicts of Interest law is not violated.

FUNDING MECHANISM-DEFERRED PAYMENT LOANS

The Norwood-Bridgewater Housing Rehabilitation Program offers Deferred-Payment Loans (DPL) to finance rehabilitation of eligible projects. The maximum DPL is \$30,000 per unit to address code violations. An additional \$5,000 per unit is available when improvements include removal of lead paint or asbestos or making handicapped access. The DPL is secured by a lien placed on the property for a period of 15 years. The interest rate is 0%. Deferred Payment Loans do not require monthly loan payments. If a property is sold or transferred within the 15 year period after rehabilitation completion, the funds will be recaptured on a prorated basis. After the 15 year recapture period expires, the loan is forgiven. No payments are made.

The Norwood-Bridgewater Housing Rehabilitation Program offers three different levels of assistance for owner occupied homes:

Owner Occupied Homes

1. If the homeowner's total household income is less than 50% of the median income, the HR Program offers a DPL equal to 100% up to \$30,000 per unit (1-4 units) with an additional \$5,000 per unit for removal of lead paint or asbestos or handicapped access.
2. If the homeowner's total household income is between 50% and 80% of the median income, the HR Program offers a DPL up to 75% of the project cost up to \$30,000 per

unit (1-4 units) with an additional \$5,000 per unit for removal of lead paint or asbestos or handicapped access.

3. If a homeowner does not meet these income guidelines and the house contains more than 3 units, then the homeowner will be considered an Investor Owner and considered for participation in the Investor Owned Property Program which is detailed below.

The Norwood-Bridgewater Housing Rehabilitation Program also has a program for investor owned property with the following program criteria:

Investor Owned Property

1. If at least 51% of housing units in a building are occupied by households earning less than 80% of median income, the property owner will be considered for a deferred payment loan equal to 50% of project cost up to a maximum of \$30,000 per unit with an additional \$5,000 per unit for removal of lead paint or asbestos or handicapped access. The term is 15 years and the interest rate is 0%.
2. The investor owner must execute an Affordable Housing Restriction that runs with land for a 15 year period.
3. Rents will be restricted to Fair Market Rents and units must be available to low and moderate income tenants for a 15 year period.
4. If the property is sold or transferred within the 15 year period after rehabilitation is completed or if the terms detailed above are violated the funds will be recaptured on a prorated basis. After the 15 year recapture period expires, the loan is forgiven. No payments are made.

LOW AND MODERATE HOUSEHOLD INCOME LIMITS

Norwood

| Household Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| 50% of Median Income | \$32,950 | \$37,650 | \$42,350 | \$47,050 | \$50,850 | \$54,600 | \$58,350 | \$62,150 |
| 80% of Median Income | \$47,450 | \$54,200 | \$61,000 | \$67,750 | \$73,200 | \$78,600 | \$84,050 | \$89,450 |

Bridgewater

| Household Size | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| 50% of Median Income | \$30,700 | \$35,050 | \$39,450 | \$43,800 | \$47,350 | \$50,850 | \$54,350 | \$57,850 |
| 80% of Median Income | \$44,750 | \$51,150 | \$57,550 | \$63,900 | \$69,050 | \$74,150 | \$79,250 | \$84,350 |

A Housing Rehab Specialist will conduct a site visit and develop a detailed work write-up and cost estimate. The Rehab Specialist will then review these items with the homeowner.

NOTE: The Norwood-Bridgewater Housing Rehabilitation Program is a moderate rehabilitation program. If upon completion of a site visit, detailed write-up and cost estimate, the HR Specialist determines that the dollars needed far exceed program limits, the project can be deemed infeasible and funding denied. Appeals can be made by providing the Housing Rehabilitation Manager with acceptable documentation that owner has access to additional funds necessary to complete the project.

BIDDING PROCEDURES

Based upon the accepted work write-up, the Norwood-Bridgewater Housing Rehab Program staff will solicit bids from a “qualified” contractor list (i.e. contractors who previously submitted evidence of insurance and contractor licenses and whose reference and past work have been reviewed by rehab staff). Bids will be reviewed by the Housing Rehab Specialist and the Housing Program Manager. A minimum of three bids for each project will be sought. A homeowner may choose a contractor other than the lowest qualified contractor. However, the Deferred Payment Loan is based upon the amount submitted by the lowest qualified bidder and the homeowner must fund the difference.

If the completed bid package exceeds the program dollar limit for your project, the Rehabilitation Specialist will first work with the contractor to see if alternative procedures can be performed to lower the bid amount while at the same time accomplishing the primary goal of correcting all code violations. If this is not successful, the project can be re-bid or the homeowner can seek additional financing from other sources.

CONSTRUCTION PROCEDURES

Upon completion of the application and bidding phase, a contract will be between the homeowner and the contractor will be signed. Contract language will make provisions for payment, warranty, liability, and Norwood-Bridgewater staff oversight.

Inspections will be made by the Housing Rehab Specialist during the rehab process to verify that the work is being done in accordance with the approved work write-up, owner/contractor agreement, and applicable codes. The Building Inspector, Wiring Inspector and Plumbing Inspector will approve and verify building code compliance.

No change will be made to the work write-up unless written approval is obtained from the Housing Rehab Specialist, the homeowner, and the contractor by means of a contract amendment or change order. Final approval by the Housing Rehabilitation Program Manager will also be required for the change orders.

PAYMENT

Progress payments will be made only after inspections by the Housing Rehab Specialist and the homeowner’s written acceptance of work performed. All payments under the Norwood-Bridgewater Housing Rehabilitation Program will be issued in the name of the homeowner and the contractor. A 10% retainage will be withheld from each progress payment to ensure project completion in accordance with the work write-up.

The contractor will receive final payment only upon completion of construction and of evidence of compliance with local permitting procedures, a Release of Liens, a Warranty, and a homeowner statement of satisfactory completion.

**This document is a summary of the Norwood-Bridgewater Housing Rehabilitation Program Guidelines. Additional program requirements exist which further govern participation in The Norwood-Bridgewater Housing Rehabilitation Program. For further information, please call Mr. Paul Halkiotis, Director of Community Planning & Economic Development at 781-762-1240 Ext 164, Monday through Friday, between the hours of 8:00 AM & 4:00 PM.*

This program is funded through a Massachusetts Community Development Fund grant awarded by the Department of Housing and Community Development to the Towns of Norwood and Bridgewater.